

Blue Forests Annual Review 2023

|  |                      |                    |
|--|----------------------|--------------------|
| Title: Blue Forests Programme                |                      |                    |
| Programme Value £ (full life): £11.16million |                      | Review date: 2023  |
| Programme Code: ICF-PO001-BV                 | Start date: Jan 2017 | End date: Dec 2024 |

Summary of Programme Performance

| Year                 | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024 |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| Overall Output Score | A           | A           | A           | A           | A           | A           | A           |      |
| Risk Rating          | Medium/High | Medium/High | Medium/High | Medium/High | Medium/High | Medium/High | Medium/High |      |

|                                       |  |
|---------------------------------------|--|
| DevTracker Link to Business Case:     | <a href="https://devflow.northeurope.cloudapp.azure.com/files/documents/Blue-Ventures-Business-Case-Final-20190927040900.pdf">https://devflow.northeurope.cloudapp.azure.com/files/documents/Blue-Ventures-Business-Case-Final-20190927040900.pdf</a>  |
| DevTracker Link to results framework: | <a href="https://devflow.northeurope.cloudapp.azure.com/files/documents/ICF-BV-Logical-Framework-2023-20250403090443.pdf">https://devflow.northeurope.cloudapp.azure.com/files/documents/ICF-BV-Logical-Framework-2023-20250403090443.pdf</a><br><a href="https://devflow.northeurope.cloudapp.azure.com/files/documents/Blue-Forests-Theory-of-Change-20250403090446.pdf">https://devflow.northeurope.cloudapp.azure.com/files/documents/Blue-Forests-Theory-of-Change-20250403090446.pdf</a> |

Acronyms

|      |                                      |
|------|--------------------------------------|
| BPF  | Blue Planet Fund                     |
| BF   | Blue Forests                         |
| BV   | Blue Ventures                        |
| CGP  | Octopus Management Committee         |
| CHW  | Community Health Worker              |
| GESI | Gender Equality and Social Inclusion |
| ICF  | International Climate Finance        |
| LARC | Long Acting Reversible Contraception |
| LMMA | Locally Managed Marine Area          |

|      |  |
|------|--|
| NGO  | Non-Government Organisation              |
| ODA  | Official Development Assistance          |
| SEAH | Sexual Exploitations and Harassment      |
| SRC  | Safeguarding and reporting committee     |
| TGRN | Transfer of Natural Resources Management |
| VCM  | Voluntary Carbon Market                  |

**A. SUMMARY AND OVERVIEW**

**A1. Description of programme**

Blue Forests (BF) is a £11.16 million programme (2016 - Dec 2024) that seeks to protect and sustainably manage mangrove forests while reducing the poverty of the coastal communities that rely on them. The programme delivers community-led initiatives that support the improved management and sustainability of small-scale fisheries, provides healthcare assistance<sup>1</sup>, and develops sustainable livelihoods in coastal communities in Madagascar and Indonesia. The programme is delivered and managed by the UK non-government organisation (NGO) Blue Ventures (BV). BV's aim is to develop transformative human rights-based approaches for sustainable locally led marine conservation, building towards a replicable model for the sustainable management of mangrove habitats that is driven directly by communities and their needs.

<sup>1</sup> Healthcare assistance, including Sexual Reproductive Health and Rights (SRHR) interventions, play an transformative role in sustainable development, and it is increasingly clear that it can support the adaptive capacity and resilience of individuals and communities to climate change, including by enabling women's climate leadership

The Blue Forests programme works with local communities, the private sector, and national governments at five sites; three in Madagascar and two in Indonesia. The three sites in Madagascar are Ambanja Bay (Site 1), Velondriake (Site 2), and Mahajamba Bay (Site 3) and the two in Indonesia are Indragiri Hilir (Site 4), and Kubu Raya (Site 5). Throughout this review the sites are generally referred to by number rather than name.

The programme delivers outcomes across four key pillars:

- 1. Blue carbon sequestration and forestry management
- 2. Small-scale fisheries management and improvement
- 3. Livelihood diversification
- 4. Community health and women's empowerment

In 2022 the programme was moved from Defra's terrestrial nature ODA programme portfolio to the Blue Planet Fund due to its close alignment with BPF outcomes. This annual review has been informed by regular discussions between BV and Defra over the reporting period.

The programme evaluation, led by NIRAS (consultancy), began at the end of 2021 and the inception report<sup>2</sup> was finalised in 2022. In the intermediary period between the inception period and the final summative evaluation (due June 2025), a logframe amendment to address suggested changes to the health indicators was submitted and agreed in September 2023 and workshops were held on the programme theory of change in December 2023. This Annual Review covers the 2023 reporting period (calendar year).

**A2. Summary supporting narrative for the overall score in this review**

N.B The Annual Review deadline for Blue Ventures was previously scheduled for the beginning of each calendar year, however at the time of drafting the previous Annual Review (2022) there was significant internal organisational change within the Defra team. This led to the reprioritisation of workstreams and resourcing issues. For this reason, it is important to note that data and learning in this review refers to the 2023 calendar year. **At the time of drafting, some elements, such as the recommendations, are well underway and/or complete.**

This Annual Review was conducted by the Sustainable Marine Management team (referred to as the programme team throughout this document), which is housed in the International Sustainable Blue Finance (ISBF) Division in Defra's International Biodiversity and Climate Directorate. All data discussed in this review was provided by Blue Ventures, the delivery partner. Data has been collected by BV staff, downstream delivery partners and local communities. To develop this review the programme team worked closely with Defra's Official Development Assistance (ODA) hub and the ISBF Monitoring Evaluation and Learning (MEL) team to review evidence and data supplied. The programme team also worked in close collaboration with BV, to understand the narrative behind the data, develop case studies and discuss learnings.

The Blue Forests programme has continued to deliver effectively against its overall objectives and has scored its seventh consecutive A. This has been tracked principally through the logframe, in which 80% of the indicators have achieved their targets or exceeded them. Particular successes for the review period were continued strong outcome performance against ICF KPI 15 - delivering transformational change (outcome 2.1) - and exceeding targets at output level pertaining to delivery of health services.

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<sup>2</sup> The Inception report assessed the BF Monitoring, Evaluation and Learning (MEL) Framework in order to identify any gaps and provide realistic recommendations for improvements before the Summative Evaluation of the BF programme.

Some prominent challenges from last year remain, including the limited success of some alternative livelihoods, and lack of progress in establishing carbon credit models as the longer-term sustainable financing mechanism to support BV's 20-year impact vision. Overall, the programme continues to make a positive contribution to the lives of the communities it works with despite these challenges. Key achievements include:

- Site 1, Ambanja in Madagascar, has far exceeded its yearly health targets in relation to access to healthcare, culminating in 95% of health service delivery points providing support and /or referral appropriate to meet the needs of the communities (outcome indicator 1.6).
- Site 2, Velondriake, Madagascar: community engagement remained a strong focus, with a youth group creating an outreach video to disseminate and showcase results of 8-years of mangrove reforestation; a total of 98 ha has been reforested, with women making up 96% of participants of the management activities.
- Site 3, Mahajamba Bay, Madagascar: 18 savings and loans groups have now been established for 321 members, predominantly women (223 women and 98 men)
- Site 4, Indragiri Hilir (Inhil) in Indonesia, has met or exceeded all of its targets this year, through considering a number of alternative livelihoods, beginning to raise income ahead of schedule and starting to monitor an additional fishery (shrimp).
- Site 5, Kubu Raya in Indonesia, has increased the area of mangrove forest protected or under sustainable local management by 44% this year, and a carbon baseline scenario was conducted.

Key challenges:

- Site 2, Velondriake in Madagascar, experienced two significant thefts of sea cucumbers during the reporting period (August 2023). Following other issues including disease, cyclones and interaction with the private sector (private sector collectors providing variable and unfair prices for products due to the limited selling options of the community), there have been significant reductions in income and the number of people involved in sea cucumber farming. Remedial action is ongoing, but it is likely that the Site will not see the same levels of profit as seen in previous years.
- Site 3, Mahajamba in Madagascar, previously experienced delays due to issues in getting the Dina (local law) approved, to enable governance development and implementation. This is slowly moving forward with the Site now implementing some fisheries management techniques, with targets missed for this reporting period likely be achieved by 2024.
- Site 5, Kubu Raya in Indonesia, saw elections for new Village Heads. This alongside issues with interacting village forest management in Batu Ampar led to delayed activities and some missed targets, particularly around alternative livelihoods.

Where the programme has not met or narrowly missed some targets, BV has continued to proactively adapt the programme and the logframe in response to learnings and recommendations. All changes have been made in line with Defra ODA processes (I.E not within 6 months of an annual review).

Overall, Defra is satisfied that the programme is delivering at the standard required for an A and on track to meet longer-term impacts outlined in the Theory of Change. The overall risk rating for the programme has been increased from moderate to moderate/major because of the challenges with establishing carbon credit sales and alternative livelihood models.

**A3. Major lessons and recommendations for the year ahead [1/2 page]**

N.B The Annual Review deadline for Blue Ventures was previously scheduled for the beginning of each calendar year, however at the time of drafting the previous Annual Review (2022) there was significant internal organisational change within the Defra team. This led to the reprioritisation of workstreams and resourcing issues. For this reason, it is important to note that data and learning in this review refers to the 2023 calendar year. **At the time of**

**drafting, some elements, such as the recommendations, are well underway and/or complete.**

**Major lessons**

1. As discussed in the previous annual review the success of alternative livelihoods interventions can be very variable. In some areas, especially the more remote locations, there may not be many – if any - viable economic alternatives to fishing. Those that do exist may not provide enough of an incentive to reduce reliance on fishing. Where there are successful, high value alternatives e.g., sea cucumber farming, there can be unintended consequences and risks for communities in them becoming guardians of a high value resource. This can result in thefts and private sector buyers providing variable and unfair prices for products due to the limited selling options of the community. The issues around alternative livelihoods have continued in 2023 and led to further significant events at the end of 2023 (significant theft from Site 2). Meanwhile BV has continued to incorporate learnings regarding the relevance and impact of value chain additions and savings groups work into programme updates. These activities have reached a stage where they should be documented more systematically/officially. This year has reaffirmed the importance of looking at financial inclusion more widely than just focusing on alternative livelihoods. Financial sustainability can only be reached if challenges around existing as well as possible new livelihoods are addressed, for example by tackling post capture losses and price transparency with collectors. In addition, community-led and fair savings structures need to be in place. By taking a wider approach to financial inclusion it can benefit the whole community, assisting longer-term financial planning support for communities to provide sustainable outcomes. It is therefore recommended that the elements of savings groups and value chains are included in the programme logframe and the evaluation, as it constitutes a significant and growing element of programming.

**Recommendations from the previous annual review:**

1. Defra should use diplomatic levers to support Madagascar to implement the relevant financial and policy infrastructure necessary to allow the sale of carbon credits where appropriate.
2. Learnings regarding the relevance and impact of value chain addition and savings groups work should continue to be documented and incorporated into the programme (e.g. logframe).
3. The Theory of Change should be updated following findings from the NIRAS inception report.
4. GESI elements of programming should be strengthened and mainstreamed, with a focus on disaggregated data (Sex, age or other characteristics where relevant).
5. Best practice and increased knowledge sharing with other coastal communities/wider BPF programmes should be encouraged.

Both Defra and the BV have made substantial progress on these recommendations. Defra continues to use diplomatic levers to support effective regulation, conservation, and management of Madagascar’s marine environment, particularly via the BPF’s Ocean Country Partnership Programme (OCP). The logframe and Theory of Change have been reviewed and updated, and Blue Ventures have reviewed their data collection system to identify areas and indicators where disaggregated data can be provided or could be collected in future programmes.

Slow progress has been made on recommendation 5; increasing sharing of knowledge and best practice to other coastal communities and wider BPF programmes. This is due to limited Blue Planet Fund resource and limited ability to facilitate join up. The recommendation has

been rolled over to 2024 where significant opportunities are present to share learnings across programmes, especially in Madagascar.

**Recommendations for 2024**

1. There is a knowledge gap for Defra regarding Blue Ventures’ success in securing finance once UK funding for the Blue Forests programme ends (December 2024). The Business Case states that “Blue Ventures needs to raise around £1.3m per year from year 8 - 11 for maintenance and monitoring of the Madagascar Sites and the remaining implementation activities for Indonesia.” BV have stated they have secured some elements of post-programme finance, but it is challenging to understand how much and whether the programme is on track to achieving full targets. Moving forward a standard agenda item, discussing post-programme finance should be included into the Steering Group meetings.
  - To be delivered by December 2024.
2. While Blue Forests is deemed GESI sensitive according to the Social Development Direct (SDD) audit, there are areas that can be strengthened, for example on reporting disaggregated data. A GESI analysis should be conducted to demonstrate clear knowledge and understanding of the specific contexts in which the Blue Forests programme operates. With this Blue Ventures should share case studies demonstrating programme impact on vulnerable and marginalised groups.
  - This should be completed by October 2024.
3. Blue Forests delivers a range of health interventions to support local communities, including Sexual Reproductive Health and Rights (SRHR) interventions. The programme team should continue to work with the ODA hub and FCDO to ensure these interventions remain in line with UK policies; delivery is rights-based, demand-led and delivered by appropriate organisations. Defra policy on SRHR interventions is due to be finalised by November 2024, when available the Defra team should review Blue Forests delivery against this.
  - To be delivered by December 2024.
4. Defra should foster and enhance ways of working to ensure all relevant documentation is saved in a suitable, internally accessible location. Not only will this demonstrate best practices relating to audit trails, but this will also ensure ease of knowledge transfer to new team members.
  - This is already underway.
5. Given Blue Forests has been in delivery since 2016, Defra should ensure lessons learned through the programme are shared and communicated across Defra ODA hub and with FCDO colleagues. This should be achieved via case studies, sharing steering group meeting documentation, participation of Blue Ventures in Defra/UK-events and development of case studies that demonstrate impact and learning.
  - This should be delivered by December 2024.
6. The Blue Forests Programme is due to close in December 2024. Defra should conduct a deep dive into the programme to understand strengths, weaknesses and impacts and explore options for possible future funding. Should the decision be made to progress with programme closure the evaluation (due June 2025) and programme closure review will be used to inform decisions on future funding.
  - To be delivered summer 2024.
7. Key learning has led to a wider focus on financial inclusion via value chain additions and savings groups within the programme. It is therefore recommended that savings groups and value chains are included in the programme reporting, either through amendments in the logframe or qualitative narrative, and the evaluation, as it constitutes a significant and growing programme learning.

- To be delivered by December 2024, and discussed in detail in the programme closure report.

## B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES

[1-2 pages]

### B1. Summarise the programme's theory of change, including any changes to outcome and impact indicators from the original business case.

A summary of the Theory of Change (ToC) is pictured in Figure A. The ToC was first developed in 2017 alongside the business case, in close collaboration with Defra and last updated in 2019.

The ToC looks to address key problem statements relating to sustainably managing mangrove forests while reducing the poverty of the coastal communities, for example:

- People are highly dependent on mangrove wood and fisheries resources for their livelihoods, including for the provision of food, income and fuel. This reliance makes it difficult to comply with management rules designed to reduce pressure on resources.
- Fisheries are being exploited locally for both food and income. There is limited/no management in place, and even where there is management, compliance and enforcement of rules is limited, especially where there is external financial incentive to catch more.
- Traditional gender and social norms may restrict the ability of women and youth to engage in natural resource management efforts or non-extractive livelihood opportunities.

The ToC aims to address these issues via four key pathways: mangrove management, fisheries management, community governance, alternative livelihoods, and health interventions.

#### ToC Review

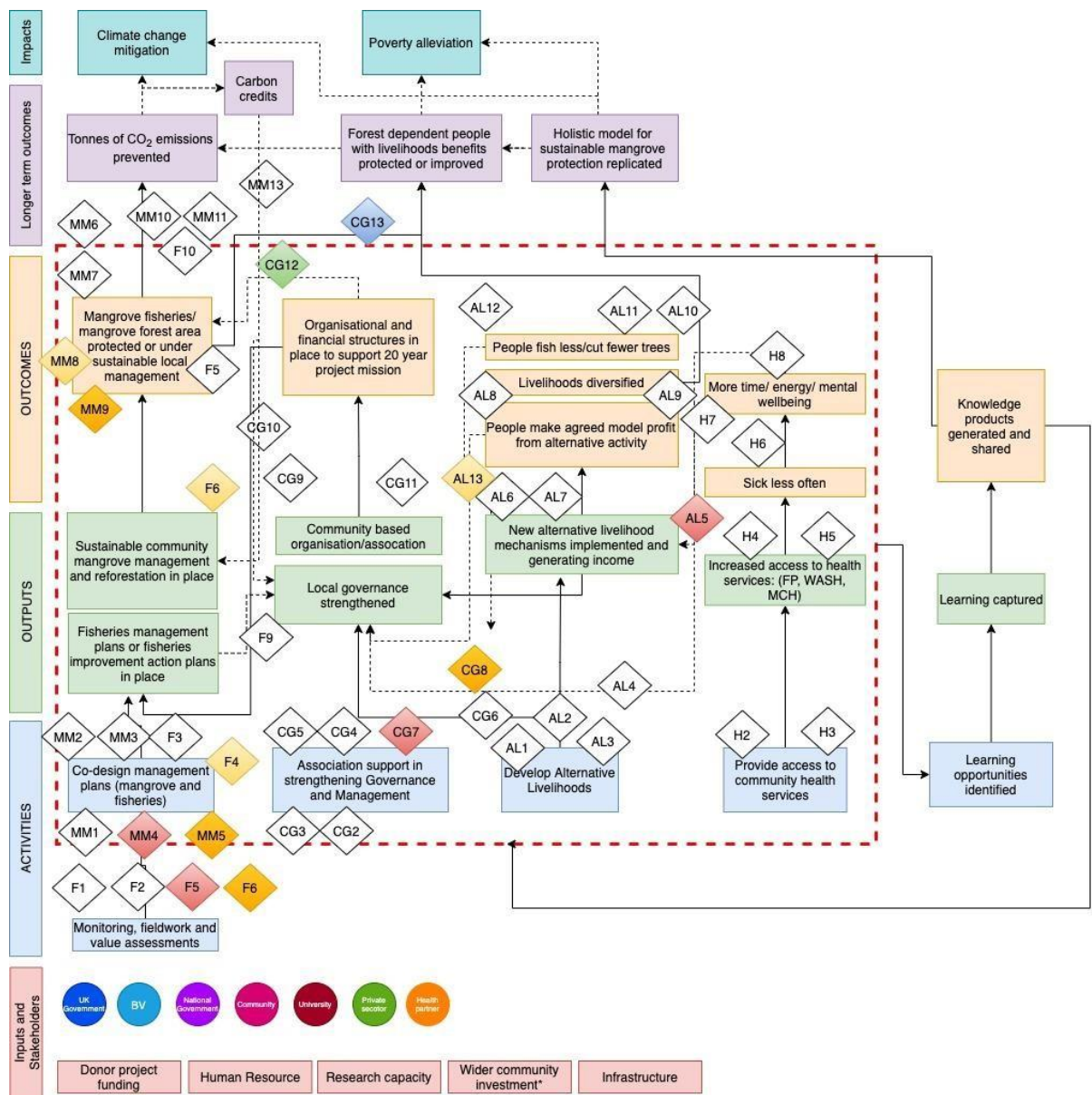
A review of the Theory of Change was initiated with NIRAS, who are undertaking the programme evaluation, as advised in the Inception Report published in 2022. The aim of the review was to ensure the ToC is up to date and fit for purpose for the final evaluation. This involved two workshops in December 2023 with the Indonesia and Madagascar teams.

This process focused on the following key areas:

1. Ensuring the ToC accurately reflects programme outcomes and impacts following changes to the logframe. (discussions on changes to the logframe can be found in Section C.2 and Annex B)
2. A reassessment of the ToC at both a country and global level to address Site context-specific assumptions.
3. Identifying those elements of the programme that can be replicated in different geographical, ecological, political, and cultural context to illustrate how the programme will meet its aim of creating a replicable model for mangrove conservation.
4. Reassessing the alternative livelihoods elements of the ToC to address the learnings gathered by the programme.
5. As the programme has delivered, it has produced learnings that have informed adaptations, especially on the limitations of applying approaches from Madagascar to Sites in Indonesia, and the profitability of alternative livelihoods.
6. Identifying how to incorporate GESI and poverty reduction considerations more explicitly.
7. Reflecting on the increased prevalence of healthcare services in BV's programming, and whether the ToC accurately reflects this.



In terms of next steps, NIRAS will set out to review the programme assumptions and narrative to develop a revised draft Theory of Change for Defra input (due December 2024). This review will focus on the links between community management, environmental conservation and healthcare support. This revision will aid the efficiency and effectiveness of the programme evaluation. The image below shows the current version of the ToC, without NIRAS updates.



\*Wider community investment - more investment in specific business opportunities by private sector partners who aren't contributing money to the project persay but more contributing to sustainable business opportunities  
MM- Mangrove Management, F-Fisheries management, CG – Community Governance, AL- Alternative Livelihoods, H- Health

Figure A – Theory of Change

Programme Evaluation

The aim of the Summative Evaluation, led by NIRAS, is to develop an independent and balanced appraisal of the Blue Forests programme, document progress against outcomes and to provide learning on what works, for whom and how. The evaluation will assess the programme across six key themes: relevance, coherence, effectiveness, efficiency, impact, and sustainability. Examples of evaluation questions include:

- To what extent has the project design responded to the needs of beneficiaries?

- Has the project facilitated coherence with national policies and regulations but also international conservation and developmental agendas?
- To what extent has the programme achieved, or is expected to achieve its outcomes and has it generated unintended outcomes, either positive or negative?
- To what extent has the BF project contributed to poverty alleviation through its activities in supported communities?
- To what extent are the benefits of the project likely to continue in the medium to long term?

The evaluation will be carried out between February 2022 and December 2024 and will seek to answer the Evaluation Questions (EQs) developed by Defra, Blue Ventures and NIRAS.

The Evaluation was originally envisaged to consist of two phases:

1. A set of Learning Events and programme check-ins, carried out between May 2022 and February 2024, designed to support BF staff in key aspects of the programme, most notably a ToC and MEL framework revision, and support on transitions toward specific recommendations of the M&E systems.
2. The Summative Evaluation of the BF programme to be undertaken between August 2024 and December 2024.

Following the finalisation of a Summative Evaluation report that will be delivered to BV and Defra, a Communication and Dissemination phase will occur in 2025 to share the results and learning of this evaluation among programme partners.

During 2023, an amendment to the NIRAS contract for the programme evaluation was agreed with Defra. This expands the scope of the evaluation, including the addition of case studies via in-country visits. The timing of the evaluation was also amended. The evaluation was originally planned October to December 2024, but it was moved to after the end of the programme and once the audit and final report were available. The deadline for the final report was therefore moved from March/April to June 2025. The budget has not changed. Defra have a close working relationship with BV and therefore following programme closure the teams will continue to engage to facilitate knowledge sharing and ensure learnings are fully understood, in addition to exploring options for future funding.

**B2. Describe where the programme is on/off track to contribute to the expected outcomes and impact. What action is planned in the year ahead?**

**Impact Indicator:** *Mangrove forests and ecosystem services (fisheries etc.) protected and restored, preventing carbon emissions and supporting security of livelihoods in coastal communities.*

| Impact Indicator   | 2023 Milestone | Progress  |  |
|--|----------------|-----------|--|
| 1. Tonnes of CO2 emissions prevented or removed (KPI 6) (MtCO2)          | 1,232,774      | 1,232,774 | On target, estimate to be verified in 2024 |
| 2. Total number of hectares where deforestation has been avoided (KPI 8) | 1003           | 1003      | On target, estimate to be verified in 2024 |

These indicators have been reported as modelled figures for 2023 as they are calculated using area of mangrove cover. This is determined using community data collection and the Google Earth Engine Mangrove Mapping Methodology<sup>3</sup> (GEM) tool. Verification of data, via forest

<sup>3</sup> [The Google Earth Engine Mangrove Mapping Methodology \(GEM\) - Blue Ventures](#)

change analysis, was last completed in 2020, with the next verification process due to be finalised by the end of 2024.

Impact indicator 1 is calculated using the area of mangrove where deforestation has been avoided along with knowledge of how much carbon is stored per hectare of mangrove forest and how much of this is emitted as CO<sub>2</sub> when mangroves are lost (determined by fieldwork and published literature), as well as volume of carbon stored by growing, reforested areas.

For impact indicator 2, the difference between the current area of mangrove (measured through community data and GEM) and what would have been the area of mangroves left without the programme (determined by the historical deforestation rate) is calculated.

Results are estimated to be on target, but following verification actual results may change. Current Targets are expected to be ambitious given in 2020 planned targets for impact 1 were 432,021 MtCO<sub>2</sub> prevented or removed, with actual results being 308508 MtCO<sub>2</sub>. Planned targets for impact 2 was 464 ha of deforestation avoided, with 487 ha achieved.

**Outcome indicator 1:** *Improved sustainable mangrove forestry and fisheries management implemented by coastal communities at Blue Forests Sites in Madagascar and Indonesia where coastal communities are supported by alternative livelihoods and improved access to health care.*

| Outcome 1 Indicator  | 2023 Milestone | Progress |  |
|--|----------------|----------|--|
| 1. Hectares of mangrove area protected or under sustainable local management (ha)  | 77,622         | 77,895   | Exceeded target                            |
| 2. Ecosystem services (ICF KPI 10): Difference in mangrove forest ecosystem services income (shoreline protection; pollution abatement; protection from sedimentation) provided by standing mangroves compared to without programme scenario. (\$/yr.) | 754,776        | 754,776  | On target, estimate to be verified in 2024 |
| 3. Number of Sites implicated <sup>4</sup> in Fisheries management including but not limited to Fisheries Improvement Programmes (registered or actions plans being implemented)   | 5              | 5        | Met target                                 |
| 4. Number of forest dependent people with livelihoods benefits protected or improved (DI KPI 7) <i>the programme assumes all communities it works with are forest-dependent</i>  | 68,116         | 71,297   | Exceeded target                            |
| 5. % of active producers making agreed model profit from alternative activity <sup>5</sup>   | 27             | 16       | Below target                               |
| 6. % of health service delivery points that provide support and /or referral appropriate to meet the needs of Blue Forest programme communities <sup>6</sup>   | 71             | 75       | Exceeded target                            |

As with results for impact indicators 1 and 2, data for outcome indicator 1.2 is estimated to be on target but remains to be verified. Verification will take place by the end of 2024 and will be reflected in the Programme Closure Report and the Evaluation. Results are estimated to be

<sup>4</sup> Sites are ‘implicated in fisheries management’ once they start implementing some aspect of fisheries management approaches. This could be temporary closures or a full management plan approved at government level.

<sup>5</sup> Agreed model profit: production targets based on projections/income targets made specifically for each alternative livelihood approach.

<sup>6</sup> This indicator demonstrates the % delivery achieved when compared to complete coverage. This differs between sites but for example relates to community health workers presence, or the range of services available.

on target, but following verification actual results may change. Data looks at forest ecosystem services: the social, economic and cultural benefits provided by an ecosystem. These benefits have been quantified per Ha in a number of publications and from BV project data.

The health work under the programme has performed well this year, and this is now adequately represented following the indicator changes agreed in September 2023. As predicted last year, the issues around alternative livelihoods (limited viable economic alternatives, limited incentives to move away from fishing and unintended consequences associated with managing high value resources) continue to affect the current programme targets. As discussed, learning has led to a wider focus on financial inclusion via value chain additions and savings groups.

**Outcome Indicator 2:** *Validated implementation models for replication provided to coastal communities in other geographic locations*

| Outcome 2 Indicator   | 2022 Milestone | Progress |          |
|---|----------------|----------|----------|
| 1. Extent to which ICF intervention is likely to have a transformational impact (KPI 15): Number of additional Sites adopting models tested and proved within this programme (outside of 5 Sites) | 89             | 147      | Exceeded |

The programme is delivering transformational change by transferring the right to manage and use coastal resources such as fish and other mangrove forest products to communities themselves through government approved management plans. For more information on how the programme is leading to transformational change and impact see Annex A.

Outcome indicator 2.1 exceeded targets, with an increase of 27 Sites from the previous reporting period. As with last year, the significant achievement against this indicator is in relation to the number of Sites in Madagascar and Indonesia that are implementing fishery closures. This validates the management measures and models that incentivise wider fisheries and mangrove management.

**B3. Justify whether the programme should continue, based on its own merits and in the context of the wider portfolio [1 paragraph]**

Overall, following conclusions drawn from the analysis of outcome and output achievements, with scores averaging an A, we can reasonably conclude that the Blue Forests Programme continues to successfully deliver on targets, incorporate key learnings into delivery and move forward with outcomes and impacts realisation. The evidence provided in the logframe and summarised below demonstrates that the programme continues to deliver against the theory of change and continues to provide good value for money.

In addition, the programme continues to have strong alignment with Blue Planet Fund outcomes and wider HMG priorities. Poverty alleviation and Gender Equality and Social Inclusion (GESI) are principal objectives of the Blue Forests programme and Blue Venture’s ethos, supporting Defra’s standards for robust ODA delivery. The programme remains classed as 100% International Climate Finance (ICF) during the 2023 reporting period, however was amended to 90% in 2024 due to some community healthcare interventions not being directly linked to climate outcomes.

C. DETAILED OUTPUT SCORING [aim for 1 page per output]

|                       |   |                                  |    |
|-----------------------|---|----------------------------------|----|
| Output Title          | Sustainable community owned mangrove forestry management plans in place |                                  |    |
| Output number:        | 1   | Output Score:                    | A  |
| Impact weighting (%): | 30  | Weighting revised since last AR? | No |

| Indicator(s) | Milestone(s) for this review                                 | Progress                                |
|--------------|--|---|
| 1.1          | Number of Sites with community-led mangrove management plans | Target: 5<br>Actual: 5<br>Progress: Met |
| 1.2          | Number of Sites with an estimated carbon baseline scenario   | Target: 4<br>Actual: 4<br>Progress: Met |

The Blue Forests Programme met the target for Output 1.1 back in 2021. Annual mangrove management plans continue to be produced and followed in all 5 Sites. Key activities from this reporting period (2023) include:

- Site 1 Madagascar: Community-led mangrove management has continued to progress with three new management groups securing their Transfer of Natural Resources Management (TGRN) contracts with the government, spanning a three-year period and encompassing 1,191 hectares (ha) of land, thereby increasing the total number of management groups with tenure to 15.
- Site 2 Madagascar: Alongside continued tracking of the number of cuts to mangroves through quarterly monitoring campaigns, 32,881 mangrove propagules were planted across 12 ha of degraded mangrove land.
- Site 3 Madagascar: A new TGRN agreement was established in an additional village, transferring tenure for a 1,183 hectares area of mangroves to the management group.
- Site 4 Indonesia: Village-level engagement saw the development of work plans for the forthcoming year at both the village government and management group levels, and a third village has decided to submit their application to legally formalise their rights to manage the village forest, signalling growing community ownership and commitment to long-term management.
- Site 5 Indonesia: A total of 168,260 mangrove propagules were planted at the Site in 2023.

The target was also met for Output 1.2, increasing from three Sites in 2022 to four Sites this reporting period. This is due to the completion of an assessment for Site 5 Kubu Raya (Indonesia). The assessment shows an estimate of the CO<sub>2</sub> emissions that would occur in the Kubu Raya programme area in the absence of effective mangrove management. The model predicts the loss of 2,750 ha of mangroves and estimates total emissions of 8,171,590 tCO<sub>2</sub>e over the 20-year period in the absence of the programme.

Overall, this output has scored an A.

|                       |  |                                  |    |
|-----------------------|--|----------------------------------|----|
| Output Title          | Mangrove fisheries improvement programmes in place |                                  |    |
| Output number:        | 2  | Output Score:                    | A  |
| Impact weighting (%): | 25   | Weighting revised since last AR? | No |



| Indicator(s) | Milestone(s) for this review  | Progress   |
|--------------|---|--|
| 2.1          | Number of fisheries being monitored   | Target: 10<br>Actual: 12<br>Progress: Exceeded   |
| 2.2          | Number of Sites trialling/pilot locally relevant fisheries management (e.g. periodic closures, gear restrictions)                   | Target: 5<br>Actual: 4<br>Progress: Under Target |
| 2.3          | Number of local fisheries management plans developed (e.g. Agreed harvest rules concerning a fishery or wider management contracts) | Target: 5<br>Actual: 5<br>Progress: Met          |

Two additional fisheries are being monitored, exceeding targets for Output 2; at Site 1 (Madagascar) fisheries monitoring has expanded to include shrimp alongside fish, crab, and sea cucumber. In addition, at Site 4 (Indonesia) recruitment and training of 16 data collectors in the use of mobile monitoring technology led to the monitoring of an additional shrimp fishery.

There has been no change to results for Output 2.2 from the last reporting period. Management measures and a management plan were expected to be in place at Site 3 (Madagascar) during the reporting period, however, as mentioned in the last report, challenges in finalising the Dina (local law) led to delays<sup>7</sup>. Despite this, activities have been ongoing to support meeting this target in 2024; community consultations yielded identification of two locations spanning 46 ha for temporary and permanent crab closures (banning mud crab fishing in a specific area or fishing Site), and through capacity-building initiatives, 90 fishers were trained in constructing sustainable fishing gear, resulting in the distribution of 660 pieces of gear.

Other activities associated with this output include:

- Site 1 Madagascar: A new no-take zone (NTZ) spanning 14 ha was established for crab in collaboration with the government, while a fisheries management plan garnered approval across three villages, encompassing 13,022 ha of ocean, with 2,849 ha of seagrass and 15 ha of coral reef.
- Site 4 Indonesia: Three temporary closures were implemented throughout the year, accompanied by community-led initiatives to install signs delineating closure areas and regulations. Survey results demonstrated positive perceptions from the community on temporary closures, reflected in reports of increased size of crabs landed and a reduction in the use of harmful fishing methods such as poison.
- Site 5 (Indonesia): Fostering knowledge sharing, community members and partners from Kubu Raya (Site 5) participated in a learning exchange to Inhil (Site 4), sharing experiences and insights from implementing temporary closures, including increases to yield, crab size, and impacts on community livelihoods.

One additional fisheries management plan has been developed, meaning the programme met its' target of 5 Sites for output 2.3. An additional fisheries regulation was developed at Site 4 (Indonesia), with two management plans now in place at the Site. Advanced training was delivered to seven data collectors on the identification of mud crab gonad maturity to determine seasonality of production and optimal catch size, which will inform future management decisions.

**Overall, this output has scored an A.**

|                |  |               |   |
|----------------|--|---------------|---|
| Output Title   | Implementation of viable new livelihood mechanisms |               |   |
| Output number: | 3  | Output Score: | B |

<sup>7</sup> To note, the management plan was subsequently approved in 2024, though this falls outside of the 2023 reporting period.

|                       |    |                                  |    |
|-----------------------|----|----------------------------------|----|
| Impact weighting (%): | 25 | Weighting revised since last AR? | No |
|-----------------------|----|----------------------------------|----|

| Indicator(s) | Milestone(s) for this review   | Progress  |
|--------------|--|---|
| 3.1          | Number of people engaged in alternative livelihoods                  | Target: 1178<br>Actual: 1161<br>Progress: Under Target<br><br>Disaggregation*<br>Male: 441<br>Female:652<br><br>*disaggregated data only includes figures for 4 out of 5 sites. |
| 3.2          | Total income generated   | Target: \$120,675<br>Actual: \$59,877<br>Progress: Under Target   |
| 3.3          | Number of new alternative livelihoods developed by Site (cumulative) | Target: 11<br>Actual: 17<br>Progress: Exceeded  |

Results for output 3.1 narrowly falls below target due to issues observed at Site 2 Madagascar. As previously discussed, this Site has faced challenges associated with sea cucumber farming, including damage to a hatchery following Cyclone Freddy, and criminal activity culminating in two separate incidents of theft of sea cucumbers in one farm. Mitigation efforts have ensued, including increased support and communication, yet farmer interest/engagement and future profits remain uncertain. Despite this, progress for this output is still positive overall, with an increase of over 140 people engaged in alternative livelihoods compared to the previous year’s results.

Blue Ventures are confident that the 2024 reporting cycle will yield stronger alternative livelihoods results. They expect to see a positive return for seaweed related livelihoods due to the use of a new local strain (Madagascar) which is resistant to disease. Blue Ventures have explored using parametric insurance schemes as a method of mitigating the risk of alternative livelihoods failures, however, they have been advised that this insurance mechanism rarely leads to payouts in rural communities. This is an area they continue to consider, and in the meantime, they have accelerated financial inclusion work across the communities. Through additional investment in entrepreneurship training and coaching, Blue Ventures aim to show how savings and loans groups coupled with small businesses safeguard the livelihoods and income of fishing communities impacted by weather events, disruptions in external markets, or operational constraints of private sector partners. These efforts have acted as the main means of mitigation to date and allow beneficiaries to continue running their other small businesses, secure their income from fishing, invest wisely in other income generating opportunities and have access to emergency funds.

Output 3.2 falls significantly below target expectations for this reporting period. This is predominantly due to issues observed at Site 2 (as discussed above), in addition to delays in poultry sales at Site 3 Madagascar. Poultry farming was developed as a new alternative livelihood at the programme Site, however delays<sup>8</sup> have meant that no poultry sales have been made, resulting in lower than planned numbers of people participating in alternative livelihoods

<sup>8</sup> Delays were caused due to issues with the contractor supporting the work and with keeping the poultry healthy ahead of sale (attacks from wild dogs, poultry disease etc)

and income. Please see section C.2 logframe review for discussion on updates to these indicators.

Despite challenges associated with alternative livelihoods, output 3.3 exceeded targets, with 17 new alternative livelihood opportunities developed.

Examples of the new alternatives livelihoods and engagement include:

- **Site 1 Madagascar:** 68 people have engaged in biocharcoal production and vegetable growing, many are still involved with bee keeping (as discussed in 2022 AR), and 49 women have engaged in soap production, which has not only generated income but also reduced household expenses, with women holding ownership.
- **Site 2 Madagascar:** Four alternative livelihoods - beekeeping, sea cucumber and seaweed farming, and meal catering - were in operation at this Site in 2023, engaging 870 people (60% women and 40% men).
- **Site 3 Madagascar:** Poultry farming was developed as a new alternative livelihood at the programme Site, however delays have meant that no poultry sales have yet been made, resulting in lower than planned numbers of people participating in alternative livelihoods and generating income.
- **Site 4 Indonesia:** Three new alternative livelihoods were developed at this Site, bringing the total in operation to four, and surpassing targets. Of the 132 people engaged, 76% are women and 24% men. Coconut coir producers were supported through training on the use of equipment to process the fibres, and the village government committed to purchase machines for production.
- **Site 5 Indonesia:** Two new alternative livelihoods were developed at the Site; mangrove honey and mangrove ecotourism. This builds on existing alternative livelihoods at this Site; creation of tea from mangrove leaves (*Acanthus ilicifolius*), sugar harvested from nipah palm (*Nypa fruticans*) and honey from stingless bees (*Madu kalulut*).

Over the review period, Blue Forests has continued to incorporate the learnings from alternative livelihood models by widening its view of financial inclusion to encompass all community income and to go beyond the point of sale. By taking a wider approach to financial inclusion it can benefit the whole community instead of just those involved in new livelihoods and it can help the community plan financially for the future to provide longer term outcomes.

The programme works to develop sustainable community associations that manage their own resources, through government approved transfers of management rights. The income from livelihoods support the associations and can be input into savings groups, strengthening fisher household financial resilience, particularly during periods of fluctuating fisher income. Women made up the majority of savings group participants in 2023 (56%), addressing disparities in gender equity in fisheries management alongside poverty alleviation.



Financial Inclusion

The number of people engaged in alternative livelihoods is always limited by external factors such as geography and weather, which fishers have no control over. This is not the case with savings groups where fishers can manage their money and assets at a household level. Through financial inclusion, particularly savings and loans groups, the programme ensures fishers have access to savings, loans, knowledge and skills to save, invest in their fishing related businesses and the alternatives that suit them.

The number of participants involved in savings and loans across the three sites in Madagascar for example are over double the number involved in alternative livelihoods. Over the past year, outside of savings and loans groups, we provided financial education training to 859 fishers across 3 LMMAs in Madagascar and have begun piloting enterprise and business management training with 30 fishers who we will follow closely to support them with their business plans. A 2021 household economic survey indicated that the median weekly earnings of fishers in Velondriake (Site 2) is 20,000 Ariary (£3). However, as saving groups progress and households use these to improve their fishing businesses and diversify their livelihoods, we have seen that the majority of groups have increased their weekly savings from a range of 2,000-10,000 Ar to 5,000-25,000 Ar. In the same timespan, alternative livelihoods have suffered from a wide range of technical issues and some have stopped all together. So to see the continued improvement in savings and loans demonstrates the impact that savings and loans can have on household stability and the wider local economy, beyond alternatives.

Overall, this output has scored an B.

|                       |                                     |                                  |    |
|-----------------------|-------------------------------------|----------------------------------|----|
| Output Title          | Increased access to health services |                                  |    |
| Output number:        | 4                                   | Output Score:                    | A  |
| Impact weighting (%): | 10%                                 | Weighting revised since last AR? | No |

| Indicator(s) | Milestone(s) for this review  | Progress   |
|--------------|---|--|
| 4.1          | A - Number of women accessing sexual and reproductive health and rights services (Madagascar only)<br>B - Number of outpatient consultations (Indonesia only) | A target: 10,600<br>Actual: 9955<br>Progress: under target<br><br>B target: 1239<br>Actual: 1888<br>Progress: Exceeded |
| 4.2          | Number of people attending community health sessions or health promotion activities   | Target: 12324<br>Actual: 16512<br>Progress: Exceeded   |
| 4.3          | Number of healthcare workers or community health ambassadors who report improved skills and knowledge in health delivery                                      | Target: 259<br>Actual: 259<br>Progress: met<br><br>Disaggregation:<br>Male:33<br>Female:226                            |

Overall progress for output 4.1 is positive, despite output 4.1a not quite meeting the target. Results demonstrate an increased access to reproductive health and rights, and outpatient services. Key examples include:

- Site 1 Madagascar: 6,901 women have and continue to access sexual and reproductive health and rights services, delivered via Marie Stopes (MSI Reproductive Choices)
- Site 2 Madagascar: Multiple options for family planning were delivered –Community Health Workers (CHWs) distributed services and education to women on prenatal counselling, family planning and childbirth, and maternal and child health, and provided long-acting reversible contraception visits with Marie Stopes Madagascar
- Site 4 Indonesia: outpatient consultations attended by 395 people (122 men and 273 women), more than three times the target for the Site.
- Site 5 Indonesia: 1,493 outpatient consultations were held (1,443 women and 50 men)

Targets for output 4.2 were far exceeded with over 16,000 people attending community health sessions or health promotion activities during the reporting period. This is due to Ambanja (Site 1) and Velondriake (Site 3) showing large increases compared to 2022 (Site 1 - 48% increase and Site 3 - 82%). This is very encouraging as these are the Sites that Blue Ventures has worked in the longest and a levelling out or minimal increase in uptake was expected.

Examples of key activities:

- Site 1 Madagascar: 9,934 people (4,257 men and 5,677 women) attended community health sessions and promotion activities.
- Site 3 Madagascar: 111 people (57 men and 54 women) were tested for HIV during campaigns with the Ministry of Health
- Site 4 Indonesia: community health sessions and promotion activities attended by 203 people (105 men and 98 women)
- Site 5: 764 people (674 women and 90 men) attended community health sessions. Healthcare promotion activities also included a pop-up travel clinic offering free health checks in two villages; and awareness raising was provided focusing on health and nutrition; family health; water, sanitation, and hygiene (WASH); household management; and the importance of separating organic and inorganic waste).

Output 4.3 met targets. Examples of capacity building of healthcare workers/community health ambassadors over the reporting period include:

- Site 1 Madagascar: training sessions conducted with the USAID ACCESS programme<sup>9</sup> equipped Community Health Workers (CHWs) with the skills to utilise a mobile application for delivering health services.
- Site 2 Madagascar: CHWs were supported to build their capacity for testing, treatment, referral and medicine stocking for health services including HIV and sexually transmitted diseases. Training was delivered on the use of the Commcare mobile application<sup>10</sup>.
- Site 3: Two community health centre staff were trained in the mobile Commcare application and 13 healthcare workers (4 men and 9 women) improved their overall health delivery skills and knowledge
- Site 4: 44 healthcare workers (2 men and 42 women) reported improved skills and knowledge in health delivery
- Site 5: A learning exchange took place with 25 Health Ambassadors sharing their knowledge and experiences on best practices that can be adopted in other villages.

<sup>9</sup> Accessible Continuum of Care and Essential Services Sustained is a five-year, USAID-funded program that aims to accelerate sustainable health impacts for the Malagasy people through three objectives: (1) quality health services are sustainably available and accessible to all Malagasy communities in the target regions; (2) health systems function effectively to support quality service delivery; and (3) the Malagasy people sustainably adopt healthy behaviours and social norms.

<sup>10</sup> CommCare Mobile is an application for mobile workers who visit community/survey locations to gather data from the target respondents

Overall, this output has scored an A.

|                       |  |                                  |    |
|-----------------------|--|----------------------------------|----|
| Output Title          | Organisational and financial structures in place to support 20-year programme vision |                                  |    |
| Output number:        | 5  | Output Score:                    | A  |
| Impact weighting (%): | 10%  | Weighting revised since last AR? | No |

| Indicator(s) | Milestone(s) for this review   | Progress                                       |
|--------------|--|--|
| 5.1          | Organisational capacity<br>- number of relevant community structures (organisational/financial/administrative) in place to support local mangrove and fisheries management | Target: 23<br>Actual: 26<br>Progress: Exceeded |
| 5.2          | Monitoring capacity<br>- number of Sites where community resource monitoring protocol is in place  | Target: 5<br>Actual: 5<br>Progress: Met        |
| 5.3          | Enforcement capacity<br>- number of Sites where a community-led coastal management law enforcement protocol is in place  | Target: 5<br>Actual: 5<br>Progress: Met        |
| 5.4          | Conservation agreements<br>- number of Sites with functioning, transparent community conservation agreements   | Target: 5<br>Actual: 5<br>Progress: met        |

Output 5.1 (organisational capacity) exceeded its target for 2023. Examples of activities supporting organisational capacity building include:

- Site 1 Madagascar: Organisational capacity in Site 1 has continued to expand, with the Federation bringing together 15 management associations managing 7,330 ha of mangroves and four fisher unions working with associations to manage 557 km<sup>2</sup> of ocean.
- Site 2 Madagascar: Elections were held for the new president of the Velondriake LMMA Association who will lead the association for the next three years, and the inaugural executive committee meeting was conducted, marking milestones in the association's governance.
- Site 3 Madagascar: A new fisher association was established and eight board members (six men, two women) elected, and the seven existing fisher associations received a three-year renewal of their board from the governor.

Output 5.2 (monitoring capacity) met the target of 5 Sites in 2022. Activities associated with building monitoring capacity within these Sites include:

- Site 2 Madagascar: A mangrove monitoring and surveillance learning exchange was carried out, involving 30 members of the Monitoring and Evaluation, and Control and Surveillance committees. A central management meeting was held in Andavadoaka to address various topics including established management measures, Dina enforcement and the trial of a new system for community-led patrols.
- Site 3 Madagascar: Monitoring capacity was built amongst 75 community leaders, patrol agents and board and committee members who were trained on management tools, the mangrove reforestation monitoring protocol and patrol techniques.
- Site 4 Indonesia: Monitoring protocols are in place across six villages at this Site, with active involvement from community forestry police partners, monitoring groups, and Village Forest Management Institutions (LPHDs).

Output 5.3 (enforcement capacity) met target of 5 in 2022. Activities associated with enforcement over the review period include:

- Site 2 Madagascar: A central management meeting was held in Andavadoaka to address various topics including established management measures, Dina enforcement and the trial of a new system for community-led patrols.
- Site 3 Madagascar: 10 mangrove patrollers (nine men, one woman) participated in a fishing patrol learning exchange in Ambanja bay.

Output 5.4 (conservation agreements) met a target of 5, increasing from 4 Sites to 5 in this reporting period. This was at Site 5 (Indonesia) where the Social Forestry Management Plan for Batu Ampar village was successfully reviewed and legalised.

**Overall, this output has scored an A.**

|                       |   |                                  |          |
|-----------------------|---|----------------------------------|----------|
| Output Title          | Increased evidence base for conservation models |                                  |          |
| Output number:        | 6   | Output Score:                    | <b>B</b> |
| Impact weighting (%): | 0%  | Weighting revised since last AR? | No       |

| Indicator(s) | Milestone(s) for this review  | Progress   |
|--------------|---|--|
| 6.1          | Number of new pieces of evidence (per year) for individual conservation models (e.g. crab fishery closure model, Plan Vivo model) | Target: 5<br>Actual: 4<br>Progress: below target |

The target for this output has been narrowly missed. New pieces of evidence and the content of these pieces involves knowledge and input of the communities, BV’s role is to formally document and disseminate the evidence. While the weighting for this indicator is 0% and results do not contribute to the overall score of this review, this indicator is important to demonstrate the programme’s contribution to the global knowledge base.

New pieces of evidence were provided on:

- Best practice guidelines for mangrove restoration
- Combining traditional ecological knowledge and scientific observations to support mangrove restoration in Madagascar
- Lessons for ensuring continued community participation in mangrove blue carbon conservation and restoration in Madagascar
- A handbook on blue carbon as a nature-based solution for climate action and sustainable development

**Overall, this output has scored an B.**

**C.2 Describe any changes during the past year, and any planned changes as a result of this review.**

Logframe review

As discussed in the last Annual Review a logframe change was submitted in 2022 and approved by Defra in August 2023. The main changes were as follows and further information can be found in Annex B:

1. Changed the health indicators (output 4) to make them applicable across countries, in response to a divergence in community-identified needs between the Madagascan and Indonesian contexts.
2. Changed the structure of the logframe, moving indicators between impact and outcome level to better reflect the sequence of the theory of change and the level of the activities (see Annex B for more information).

- 3. Updated the remaining indicators at impact and outcome level following the change of Site 4 from Sembilang to Inhil.
- 4. Targets were updated across the logframe to reflect the addition of the final Site, Inhil, and to reflect new indicators.
- 5. Removed the indicator on carbon credits to reflect the ongoing blocks to selling voluntary carbon credits in both Madagascar and Indonesia.

A further logframe review, led by Blue Ventures, with support from Defra and NIRAS, has taken place as part of this Annual review (2023). Further logframe amendments address programmatic learning around expanding the focus from alternative livelihoods to wider financial inclusion, including all livelihoods and wider community income, by:

- 1. Adding new indicators around savings groups and value chain additions.
- 2. Adjusting existing targets for the final year of delivery, taking into account key learnings and significant events that have impacted results (thefts, cyclone); and
- 3. Adjusting the targets under Outcome indicator 1.1 in response to community approach preference in one village (as detailed below)

A summary of changes is detailed below.

**Outcome indicator 1.1:** Ha of mangrove forest area protected or under sustainable local management. *Site 5: Kubu Raya*

- Target Adjusted: Removal of Site 5, Kuba Raya. This is due to the village deciding to use a different type of Blue Carbon scheme to manage their work in this area.

There are reductions in targets in the following indicators:

- **Output Indicator 3.1:** Number of people engaged in alternative livelihoods. *Site 2: Velondriake. Overall reduction of 39% (1,223 to 744);*
- **Output Indicator 3.2:** Total income generated (\$). *Site 2: Velondriake. Overall reduction of 70% (\$154,619 to \$45,710).*

There is an increase in target in the following indicator:

- **Output Indicator 3.3:** Number of new alternative livelihoods developed by Site (cumulative). Sites 4 and 5, Indonesia. *Overall increase of 155% (11 to 17).*

These changes are predominantly due to severe issues (theft, disease, cyclone) experienced in sea cucumber and seaweed farming in southwest Madagascar in August 2023 and learning from longer-term establishment of this in Sites in Indonesia.

To ensure the logframe encompasses all work under the programme and reflects learning, the following new indicators and subsequent targets will be included in the logframe for the programme’s final year of delivery (2024).

| Indicator Level/ Number                        | Indicator description  | 2024 target (all Sites) |
|--|--|-------------------------|
| Financial Inclusion (Savings and Loans Groups) |  |                         |
| Outcome Indicator 1.5b                         | Average savings per group member in monitored groups (\$)<br>(by gender)             | 72                      |
| Output Indicator 3.1b                          | Number of people engaged in monitored savings and loans groups (VSLA)<br>(by gender) | 3,378                   |

|                           |  |         |
|---------------------------|--|---------|
| Output Indicator 3.2b     | Total cumulative savings in monitored groups (\$)                                    | 252,219 |
| Output Indicator 3.3b(i)  | Number of savings and loans groups (VSLA) established (cumulative)                   | 160     |
| Output Indicator 3.3b(ii) | Number of monitored savings and loans groups (VSLA)                                  | 113     |
| Value Chain improvements  |  |         |
| Output Indicator 3.3c(i)  | Number of new approaches to value chain improvement implemented/piloted (cumulative) | 9       |
| Output Indicator 3.3c(ii) | Number of value chain assessments completed (cumulative)                             | 18      |

**C3. Progress on recommendations from the previous AR (if completed), lessons learned this year**

In the 2022 annual review the following recommendations were made related to Output 3 (implementation of viable new livelihood mechanisms): *BV should incorporate their learnings regarding the relevance and impact of value chain addition and savings groups work into the programme. This should be prioritised during the review of the Theory of Change review and considered in future logframe updates.*

Following learning from 2022 that the success of alternative livelihoods interventions can be variable which, particularly when combined with changing climate and pressures, called for a changing approach. Focus increased towards the value of existing sustainable livelihoods, including supply chain interventions; how to boost production, how to increase value and how to reduce losses. This starts with engaging fishers in value chain appraisals, identifying target species to focus on improved returns through management, quality improvement, and value addition where possible.

There have been unforeseen consequences and risks for communities in becoming guardians of a high value resource, such as sea cucumbers, with cases of theft taking place and private sector collectors providing variable and unfair prices for products due to the limited selling options of the community.

As above, consideration will be given to the best way of reporting on these additional elements of the programme (via report narratives or a logframe amendment).

**D: RISK** [½ to 1 page]

**D.1 Overview of risk management**

Blue Ventures’ programmes and activity-associated risks are assessed at the beginning of each financial year. Reviews are conducted every six months, or when needed if prompted by incidents and lessons learnt. In addition, the system relies on a focal point network that involves colleagues in different countries supporting the Health and Safety and Safeguarding framework. All colleagues in BV receive mandatory safeguarding training on how to recognise and report a safeguarding concern (details of which are published on the Blue Ventures intranet).

As part of this review process Defra and BV have reviewed the programme risk register. BV continues to report on risk quarterly at Steering Group meetings and there is ongoing work within Defra to refine its own Risks, Assumptions, Issues and Dependencies (RAID) template to be more consistent across ODA programmes. Within Defra, risk management is approached at several levels. In the first instance risks are recorded in the programme RAID log and discussed at monthly BPF Programme Management Meetings (PMM). When required, risks are escalated further to the Deputy Director Monthly Management Meeting, and then finally up to the BPF Joint Management Board (JMB) and the ODA board when necessary. Broadly risks are managed effectively, and PMM meetings help to ensure the programme team regularly review and discuss risks and issues. There is, however, opportunities to strengthen the programmes team’s approach to risk management for example through enhanced risk management training, standing agenda items at weekly Sustainable Marine Management meetings, an ongoing collaboration with the ODA hub. The risk appetite for this programme has been set in line with the Defra’s ODA portfolio appetite.

**D.2 Key risks**

**Strategy and Context**

There is a risk of duplication of efforts with objectives and workstreams (small scale fisheries and critical marine habitats) similar to that of COAST, particularly for the Indonesia sites. This raises the question around strategic fit and duplication of the programme outcomes/activities. Duplication could result in poor coordination and poor value for money.

This risk is within the programme’s appetite, with the team taking an open approach with associated risks, this is due to the fact that Blue Forest programme is due to end in December 2024. Mitigations include ensuring the Blue Planet Fund Regional Coordinator for South East Asia is fully sighted on activities in the region.

**Delivery and Operational**

There is a risk that the programme fails to develop long-term financial sustainability for communities through carbon credits due to failure to identify private sector buyers for carbon credits, or price of carbon falls below a level required to motivate behaviour change, or there are institutional, governmental, or legal blockers to Voluntary Carbon Markets (VCM). This may lead to reduced ambition, inability to meet targets to protect the marine environment through sustainable development and reduced support for local communities, thus resulting in faltering or failure in delivery.

A key element of the Business Case focuses on using the income from the sale of carbon credits to support communities with development programmes and local marine management, fund ongoing carbon credits and support carbon credit verification and monitoring. However there has been a lack of progress in establishing carbon credit models, impacting the longer-term sustainable financing mechanism to support Blue Forests’ 20-year impact vision.

Issues around the sale of carbon credits have persisted throughout the reporting period (2023), though there is some movement. Blue Ventures are still pursuing this mechanism, including the continued verification of the carbon credits from the Site 2 Tahiry Honko programme. As planned, carbon credits will never be the sole source of sustainable financing for programmes such as this.

This risk is within the programme’s appetite. To mitigate against this risk, as discussed in the previous AR, BV have been exploring and testing opportunities associated with increasing value chains. Similarly, as discussed throughout this review, the programme is shifting its focus on community financial inclusion including via value chain additions and savings groups to support with sustainable finance flows. Defra takes a cautious approach to delivery and



operational risks and the programme team will therefore continue monitor this risk closely and support BV in mitigation.

**Financial and Fiduciary**

There is a risk that the Blue Forests programme does not deliver the impact it expects to achieve, due to challenges in securing co-financing following the delays caused by COVID. BV has provided co-funding over the lifetime of the programme but there is a £870,420 funding gap in 2024 due to the multi-year impact and Defra approved no-cost extension (one-year) as a result of COVID. This funding gap could lead to delays in activities, reduced support for communities leading to overall poor performance and value for money.

**N.B the risk was present during the reporting in 2023 but has now been closed;** In March 2024, an uplift to plug this funding gap was approved via a Change Control Note (CNN).

Similarly, there is a risk that an over reliance on Defra funding could lead to slow and inadequate finance mobilisation, resulting in poor delivery or closure of programmes and reputational damage to the UK. The original Business Case states *“Blue Ventures needs to raise around £1.3m per year from year 8-11 for maintenance and monitoring of the Madagascar Sites and the remaining implementation activities for Indonesia.*

These financial risks are within the programme’s appetite. BV have secured some further funding for all programme sites, but it is challenging to understand if there are any shortfalls due to the changes and expansion since the programme began. To manage this risk, updates on post-programme funding should be included in the Steering Group Meetings.

No fraud incidents have been reported during the 2023 Annual Review period. Delivery chain mapping conducted in 2024 (outside the reporting period for this review), show BV have policies in place to monitor fiduciary risk, despite this, the lack of fraud reporting suggests that these polices could be strengthened to provide more assurance that incidents will be captured and reported. Should future funding be explored following programme closure full due diligence should be conducted to assess the fraud mitigations and polices of BV.

**Safeguarding**

Ensuring that risks and safeguards are assessed and actively managed within programming remains a priority, as does the integration of gender equality and social inclusion (GESI). Defra and the programme team takes a cautious approach to monitoring these risks.

A key risk noted in this reporting period is associated with Sexual Reproductive Health and Rights (SRHR) interventions in Madagascar. In some circumstances within the broader development landscape, SRHR interventions have been linked to unintended health and welfare consequences due to the sensitive nature and context of delivery. If this risk were to be realised within the Blue Forests context, it could result in negative implications for women, family and communities, in addition to reputational damage for the UK and BV who may be seen to be using family planning as a climate mitigation mechanism. These risks are mitigated by ensuring all interventions are demand-led and any family planning work is voluntary and rights-based, with informed consent being sought. The SRHR interventions are part of holistic and sustainable healthcare provision serving the needs of the community and are delivered via downstream partner Marie Stopes (MSI) which has world-leading expertise and experience delivering rights-based SRHR interventions.

This risk is within the programme team’s risk appetite. Defra’s ODA Hub has a clear policy position on SRHR that is used to test our appetite. The programme team continues to work with the GESI and safeguarding leads to monitor and mitigate against risks associated with safeguarding. Given the sensitivities around SRHR interventions, the programme team will continue to work with the ODA hub and FCDO to review these interventions against UK policies and ensure delivery is rights-based, demand-led and delivered by appropriate initiatives. BV have an established a Safeguarding and Reporting Committee (SRC), with



dedicated safeguarding risk assessments for each country to help mitigate against these risks. The SRC has a mixed membership among staff and trustees, meets quarterly and holds the authority for safeguarding and reporting, reviewing safeguarding policies and procedures, and developing new initiatives to strengthen organisational safeguarding practice. BV also presents a safeguarding report at each trustee board meeting.

While outside the reporting period for this review, it is important to note that in 2024 Defra conducted a Sexual Exploitation and Abuse and Sexual Harassment (SEAH) self-assessment, action plan and delivery chain map. The SEAH self-assessment and delivery chain mapping provide Defra confidence that the programme has mitigations in place to ensure no harm to people. In addition, a joint SEAH declaration demonstrating alignment between both organisations has been drafted due to limited acknowledgement of safeguarding within the existing Grant Agreement, which was issued in 2016.

Safeguarding incidents reported 2023

In 2023, BV registered episodes of violent assaults associated with robbery and theft in one of the Sites of interest (Besakoa, in Site 3). No injuries were reported by BV staff nor beneficiaries and BV understands these were isolated incidents. The assaults made the area unstable for some time and enhanced mitigation measures have been taken (i.e. temporarily suspending missions to the area, reinforcement of teams and buddy system) in order to keep people safe. No more violence has been registered for the rest of the year. No other safeguarding concerns were registered in 2023.

**E: PROGRAMME MANAGEMENT: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE** [1 - 1 ½ pages]

**E.1 GESI overview**

Central to Blue Ventures’ approach is the recognition that diverse community members are crucial for building capacity and financial sustainability in mangrove conservation. This has extended to delivering Blue Forests objectives and is bolstered by the following drivers:

- **Inclusive conservation:** Critical marine habitats support diverse communities, including marginalised groups. GESI ensures that conservation efforts benefit all stakeholders equitably.
- **Sustainable livelihoods:** GESI principles help ensure that economic opportunities created through reef conservation and sustainable blue economy initiatives are accessible to all community members.
- **Resilience building:** GESI-informed approaches strengthen the adaptive capacity of women and marginalised groups, who are often most vulnerable to climate change impacts, enhancing in this way overall community resilience.
- **Knowledge sharing:** The inclusion of traditional knowledge and practices from various social groups, encouraged by GESI principles, can lead to more effective and culturally appropriate conservation strategies.
- **Access to healthcare:** Climate change and habitat degradation have a disproportionate impact on those most vulnerable, including women and children.

Programme delivery supports poverty reduction through alternative livelihoods, blue economic development, creating inclusive and effective policies, and sustainable seafood and aquaculture. The programme delivers community-led initiatives that support the improved

management and sustainability of small-scale fisheries, provides healthcare assistance, and develops sustainable livelihoods in coastal communities in Madagascar and Indonesia. An example of this includes bee keeping and honey production, which has been trialled in four out of the five Sites. Another example is the work on value chain additions to ensure communities gain the highest price for their catch, for example through monitoring the catch and storage methods for octopus.

**GESI Case Study: Octopus Gleaners**

Female octopus gleaners in Madagascar are a good example of balancing benefits for one group over the exclusion of or detriment to others.

It was conventionally believed that women dominated octopus fishing, via gleaning at low tide. However, men have increasingly incorporated it into their daily routines, which they can do more efficiently via diving. Men can dive for octopus at any time but women can only glean when the tides allow. There is also a stigma around women diving. More intensive octopus fishing by men can limit the traditional gleaning opportunities for women. In this respect therefore, finding fisheries management solutions that work for male fishers may enable the project to reach targets, but possibly to the detriment of female gleaners.

BV therefore looked for proposed solutions for mutual benefit to both groups, for example:

- Creating and enforcing local bylaws (dina) prohibiting the use of diving methods for octopus fishing during neap tides.
- Providing women with the necessary techniques and equipment for fishing during neap tides if prohibiting it under dina is not feasible.
- Conducting awareness campaigns, particularly targeting men, to discourage octopus fishing during neap tides.
- Value chain additions, for example octopus cooling pots (shown in the picture below)
- Hosting data feedback meetings during tide times when women are in the village and not out gleaning, opening up opportunities for women as well as men to participate.



Photo Credit: Blue Ventures

The programme has improved social inclusion in community management and participation of women and youth in decision making and resource management, in addition to encouraging uptake in leadership opportunities of these groups. For example, in Site 1 (Madagascar) the female leader of the community association is in her third year as president and in Site 2 (Madagascar), women now constitute more than a third of elected representatives in the local management committee responsible for governing the marine protected area. Progress in this area has been ongoing for over 10 years, prior to the Blue Forests programme, therefore while there has been a shift in the “status quo” this is not destabilising. Prior to 2016, only 13% of the ~80 elected committee members in Velondriake were women. In 2016, after a two year social marketing campaign around including women in resource management, that increased to 38%. In 2019, it dropped again to 31%. Most recently, in 2023, it increased again to 42%. This past election cycle featured another focused effort (similar to 2016) to engage women in the process. This time not just looking to increase the number of women in resource management in general, but to support women in selecting real trusted representatives of female fishers, female fish workers, and fishers’ wives. Additionally, more women have been chosen to participate and represent their communities in exchange visits (also witnessed in Indonesia) and to participate in regional networks such as the octopus management committee (CGP) which prior to 2022 was 100% represented by men. This trend goes beyond Velondriake in the Southwest of Madagascar to the neighbouring LMMAs, for instance in Manjaboake just south of Velondriake where over 50% of the elected management committee representatives are women.

In Ambanja, currently 31 out of the 67 federation representatives are women. And 46 out of 108 of those holding leadership positions in the 17 fisher associations are women. In the north, historically women have been more inclined to speak up or take on leadership positions in social settings - so the shift is not as significant as in the southwest.

In addition, to gender inclusion, youth groups are increasingly included and engaged in management, along with other underrepresented social groups.

Blue Forests also engages with men to encourage reflection about traditional gender norms, and work to transform existing structures to increase female representation in decision-making through women-only discussion spaces and supporting women to participate in natural resource management associations as elected representatives. In 2019, BV conducted a study named Beyond Catch, which used separate male and female focus groups to understand opinions on resource management by asking each group a set of identical questions. This study highlighted the complex nature of gender mainstreaming within delivery, with variations in social dynamics within different villages, showing the need for tailored approaches. In some villages BV hold data feedback sessions with female fishers only (or wives of fishers only) and then male fishers only to ensure each are comfortable expressing themselves regarding management decisions specific to their fishing methods, area, and species. In other villages, women may have a stronger voice already and prefer to have that space to express their ideas directly to the male fishers and hear the response or considerations.

The programme works to empower women by training them to monitor fisheries catches and communicate information back to their communities in an understandable form. This approach

puts data and insights in the hands of local women, opening the way for them to participate actively in management discussions. For example, at Site 1 (Madagascar) annual data collection training was conducted with 44 data collectors, including 17 women, equipped in digital monitoring using mobile devices. Particularly for women, data collection offers diversified or additional income, especially during times such as cyclone season when fishing is not possible, and brings a female perspective into management decision making.

The Blue Ventures delivery model is world-leading and lays the blueprint for transferring the rights to communities through protected areas. The communities the NGO work with are upskilled to conduct monitoring of the marine environment, which ultimately leads to increased knowledge to inform decision making, and increased local ownership. This, over time, results in pay offs (sustainable value chains) and increased access to marine resources. However, it is important to note that the Defra logframe has limitations with regards to overall impact the programme is having on poverty alleviation and supporting vulnerable community members, particularly with regards to desegregation of data (Section B).

***GESI action plan and analysis***

In July 2024, outside of this reporting period, the UK programme team held an in-person GESI workshop with the Blue Ventures team. The workshop gave an overview of Defra ODA requirements and facilitated the agreement of a GESI Action Plan. The Blue Forests programme is already classed as “GESI sensitive”, however the Action Plan identifies ways to elevate the programme to meet the “GESI empowering” criteria. Through this action plan it was agreed that Blue Ventures will conduct a GESI analysis to understand the context and impact of the programme. Drafting is currently underway, and further discussion and findings will be included in the 2024 Annual Review.

**E.2 Summary of performance**

**Paris Alignment**

In line with the FCDO Programme Operating Framework (PrOF) which sets out mandatory rules and guiding principles for the implementation of policy programming, Blue Forests aligns with the Paris Agreement and delivers high positive impacts for the climate, nature, and biodiversity by providing financing and capacity building to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts.

**Blue Ventures performance**

Blue Ventures continue to be an exemplary delivery partner for Defra. The team continually demonstrate interest and willingness to work with Defra to improve strategic alignment, create efficiencies and collaborate on shared products. In addition, the team are friendly, accommodating, professional, and passionate about their work. Communication channels between Defra and Blue Ventures have been open and honest. Blue Ventures are receptive to steers from Defra to help improve programming. They are also adaptive to HMG and ODA requirements and processes, and cooperated well with NIRAS during the independent scoping review ahead of final programme evaluation, including amending the MEL framework in response to NIRAS’ feedback.

**Finance**

Blue Ventures provide clear, transparent financial and budgetary updates at Steering Group meetings, allowing for the programme team to gain a comprehensive understanding of the budgets and planned activities. Blue Ventures also ensures to seek Defra’s advice and approval on spend outside of the delivery plan. Financial updates are provided as part of quarterly Steering Group meetings. Monthly finance meetings are also held internally in BV. BV’s financial year runs from July to June and a programme-specific audit is budgeted for the end of the programme, as required.

Following the movement of some budget from 2020 and 2021 to 2024 as a result of the COVID pandemic and the associated one-year extension<sup>11</sup>, the matter of a funding shortfall in 2024 has been reviewed between BV and Defra. Plans to address the gap are underway.

It is important to note that, while not during this reporting period, Delivery Chain Mapping was conducted for the programme in 2024. The purpose of this was to understand financial flows. Defra are content that appropriate mitigations and systems are in place to manage this risk, both from a Defra and BV perspective.

**Reporting**

Blue Ventures reporting documentation continues to be provided in a timely manner to a high standard, both for Steering Group meetings and for other out of schedule meetings or commissions. All annual reports from BV have been submitted on time.

**Blue Ventures’ relationship with other partners**

Blue Ventures continues to work via the following partners in Indonesia, who receive annual subgrants<sup>12</sup>. Financial instalments to partners are based on reporting milestones (narrative and financial):

- Yayasan Hutan Biru (YHB, also known as Blue Forests);
- Yayasan Planet Indonesia (YPI);
- Yayasan Pesisir Lestari (YPL);
- Yayasan Mitri Insani (YMI).

Since its creation by BV, YPL has continued to grow in independence, and increase its work in governance, advocacy, and policy. As a result of this, YPL became fully independent in 2023 and BV took on the in-country management of the programme from July 2023.

**HMG programme team performance: Defra Blue Planet Fund**

A key learning from this reporting period, as discussed above, is the need to ensure staff hand overs are comprehensive and archived. Staff turnover has unfortunately resulted in a loss of institutional knowledge. Despite this, within Defra, new team members have been eager to learn about the programme and honest regarding shortfalls in knowledge, allowing for a good working relationship between Defra and BV.

**E.3 Value for Money (VfM) assessment**

**1. Overview**

The previous Annual Review covering 2022 found good performance by Blue Forests with respect to Value for Money (VfM). This was based on evidence provided in the logframe scoring for impact, outcome and output indicators, and a narrative assessment around the 4 Es (Economy, Efficiency, Effectiveness and Equity). Given programme performance in the latest period, Blue Forests continues to show good progress when it comes to VfM. The assessment below again focuses on the 4 Es, and relates progress against logframe targets to the likelihood of achieving the forecasted monetary benefits from the VfM analysis in the Business Case and BC extension phases. The assessment concludes with recommendations for the next 12 months to continue the progress being made, and to help inform a more robust VfM analysis ahead of the next Annual Review in 2025.

<sup>11</sup> A no-cost extension was previously granted due to Covid, leading to a £ 870,420 funding gap.

<sup>12</sup> Blue Ventures and partners use contractors for various purposes across the delivery chain, but they do not typically fund communities. The project works with, and in some cases provides funds directly to, business groups and associations within the communities. The Indonesia field office provides partners with technical support. The budget for partners flows directly from Blue Ventures central office, except for activities that the Indonesia office leads, including where partners are paid per diems for attending learning exchanges run by BV Indonesia. The Indonesia office doesn't deliver activities for communities directly. Their work focusses around technical support visits to partners, learning exchanges, trainings (for partners), monitoring visits etc.

**2. Analysis of monetary benefits**

For the Full Business Case in 2016, Benefit-Cost Ratio (BCR) analysis was carried out, to estimate the monetary benefits achieved by Defra’s investment in the Blue Forests programme. The monetised benefits included in this analysis were:

- Carbon savings
- Mangrove fisheries
- Mangrove forest products
- Mangrove non-carbon ecosystem services (ecotourism and recreation; shoreline protection; protection from sedimentation
- Fisheries Improvement Programme targeted small-scale fisheries
- Small-scale aquaculture

The unmonetised benefits were:

- Health (integration of community health services)

The analysis also included monetised costs, including:

- Programme costs (Defra investment)
- Opportunity costs (foregone income from deforested mangrove, e.g. timber, charcoal and agriculture)

This analysis produced a BCR of 12.6:1, showing strong VfM returns on the programme investment. The analysis was updated in 2020, and was the BCR was revised to 8.3:1 using the latest assumptions. This still shows a strong return on programme investment.

We have been unable to carry out a full assessment of the monetary benefits achieved by Blue Forests to date, which would have allowed us to compare to the forecasted benefits from this aforementioned analysis. This is because the latest figures for two key logframe impacts relevant for the monetary benefits achieved have not yet been verified. These key impact indicators are:

- Impact Indicator 1: tonnes of CO2 emissions prevented or removed
- Impact Indicator 2: total number of hectares where deforestation has been avoided

Impact indicator 1 would allow us to estimate the total monetary benefit of carbon savings, and indicator 2 would allow us to estimate the value of the non-carbon ecosystem services. Evidence from programme performance suggests these indicators are on track, but as verification for these is planned for later in 2024, we cannot accurately apply the results achieved to monetary analysis. Outcome Indicator 2 (ecosystem services) would also give us an estimate for the monetary benefits achieved to date, but as this indicator is driven by the two impact indicators above, this is also unverified at this stage. We hope that once verified, we can use this data to inform a full VfM analysis ahead of the next Annual Review/Programme Completion Review in 2025.

**3. 4 Es assessment**

The following section focused on a narrative analysis of the 4 Es – Economy, Efficiency, Effectiveness and Equity. This will provide further evidence for programme VfM performance in lieu of the full monetary benefits analysis.

**Economy**

Economy considers whether the inputs required for a programme are being procured at the best price.

- It has been noted that Blue Ventures provide clear and transparent financial and budgetary updates at Steering Group meetings, holding finances to account and helping to promote economy of spend
- Key cost drivers, as noted in the latest BV Finance Report (Jul-Sep 2023), include:
  - Staff
  - Activities
  - Programme management and support
- The same Report shows that spending was on track for all areas noted, except for a slightly low spend Jan-Mar 23 in Mahajamba due to rainy season and then issues with the dina
- Similarly to the previous Annual Review, BV procurement processes are unchanged, and Blue Ventures continues to strive to achieve best practice in procurement. BV should continue to review procurement processes to make sure they remain relevant and economical.

**Efficiency**

Efficiency relates to how inputs can be turned into desired outputs.

- There has been considerable staff turnover during the relationship between Defra and Blue Ventures, but this has been managed efficiently through open and honest communication between teams
- As seen in the output scoring above, all outputs scored an A except for Output 3, which scored B. This is the same result as last year
  - This shows that BV have been able to effectively turn inputs (including Defra funding) into the targeted outputs for the most recent period
  - The Output 3 score was largely driven by under-performance against Output 3.2 (“Total income generated”). As noted above, this was due in large part to theft of sea cucumbers, and significant weather issues. BV should ensure it has processes in place to deal with similar issues in future periods, helping to deal with shortcomings in income generation, and improve on indicator results

**Effectiveness**

Effectiveness refers to the ability of funding to deliver the selection of outputs most likely to result in the desired outcomes (and impacts).

- As noted, all Annual Reports from Blue Ventures have been submitted on time, showing a dedication to reporting which holds performance to account, and helps to drive effectiveness
- In addition, it was noted that Blue Ventures cooperated well with NIRAS during the independent scoping review ahead of final programme evaluation, including amending the MEL framework in response to NIRAS’ feedback. Amending the MEL framework – including the logframe – ensures targets are relevant and ambitious, again helping to promote effective delivery and hold performance to account
- Outcomes are all on track to meet targets, except for outcome 5: “% of active producers making agreed model profit from alternative activity”
  - Evidence from the logframe therefore shows that performance has been effective to date, and suggests that impact targets are also on track to be achieved
  - Progress against poverty and livelihood outcomes is positive, considering that BV exceeded its target for Outcome 1.4 “Number of forest dependent people with livelihoods benefits protected or improved”
- Case study examples from the Blue Ventures ICF Programme Update Jul-Sep 2023 show that effectiveness goes beyond logframe indicators, for example in Madagascar Site 1, Mangrove data shows an 83% survival rate for mangroves planted in November 2022 – which is particularly strong given any figure above 60% is considered to be “good”
- It has been noted in this VfM analysis that BV needs to go through with its planned verification of outcome and impact indicators, to prove that the programme is on target



- against CO2 emissions prevented or removed, and hectares where deforestation has been avoided
- Data for these two impacts will inform a more accurate VfM assessment, including the monetary benefits achieved

Equity

Equity assesses the degree to which the results of the intervention – both positive and negative – are equitably distributed, with consideration of different vulnerable groups in the population such as women and girls, those whose livelihoods are most at risk, and the young and elderly.

- Blue Ventures commits to advancing gender equality through its programmes. For example they state that their approach “tackles gender inequality by empowering women to play a meaningful role in decision making”, and “empowers women by training them to monitor fisheries catches and communicate information back to their communities in an understandable form”
- The ICF programme update from 2023 highlights several case studies that support this, including in Madagascar Site 2, where “catch landing data (collected quarterly) for octopus and finfish were fed back in four villages with attendance from 155 fishers and high participation from women (67% women, 23% men)”

4. Recommendations

While the evidence above suggests that Blue Forests’ VfM performance has been good, and remains on track to achieve the forecasted benefits, several recommendations have been identified to help build on this progress, and strengthen VfM further.

- **Verify data for impact indicators:** this would allow us to undertake a full monetary benefit analysis for Blue Forests, and will indicate whether the programme is indeed on track to achieve the forecasted benefits from the Business Case and extension update. BV should stick to planned timelines for this (end of 2024), so that the full analysis can be carried out ahead of further Annual Reviews/ the Programme Completion Review
- **Include disaggregation by gender and disability in the logframe:** the disaggregation of programme beneficiaries through a GESI lens (Including disability) is currently limited, so further updates of the logframe should look to do more to pull out what proportion of those beneficiaries are women, to better understand impact on equity
- **Review strategy towards Output 3 (Implementation of viable new livelihood mechanisms):** as with the previous Annual Review, the only output not to score an A was Output 3, largely driven by significant under-achievement with Output 3.2. The previous AR recommended that the approach to this output “should focus on strengthening existing livelihoods in a sustainable way, whilst taking a sensible approach to trialling alternative livelihoods”. This recommendation holds for this AR, and should inform a review of this output
- **Review procurement processes and share more evidence on Economy and Efficiency:** BV should continue to review its processes for procurement to ensure it continues to be economical. More evidence can also be shared on Economy and Efficiency, such as the cost per beneficiary or the cost per hectare of mangrove protected, or more narrative evidence around how BV pushes to keep its cost low and improve its efficiency

|   |                             |                                       |  |
|---|-----------------------------|---------------------------------------|--|
| Date of last narrative financial report | Steering Board: August 2024 | Date of last audited annual statement |  |
|---|-----------------------------|---------------------------------------|--|

**Annex A: Blue Forests and transformational change**

As set out in the business case rationale for intervention, there is a clear market failure in the lack of land and tenure rights and management techniques which enable local communities to invest in sustainable long term use of fisheries and/or alternative livelihoods supported by

mangroves; and a limited market value for the diverse ecosystem services mangrove habitats provide. The Blue Forests programme works to address the unsustainable demand for and management of products from mangrove habitats (e.g. mangrove wood for charcoal and building materials and pressures on species populations due to high levels of fishing which depletes stocks). In addition, it takes a multisectoral approach to address barriers in gender equality, particularly in terms of access to health care, livelihoods and education. Blue Forests drives a meaningful transformational change within mangrove habitats and the communities which rely upon them through:

- **Improved livelihoods and green business opportunities.** Green business opportunities underpin sustainable mangrove forestry and fisheries management. Blue Ventures works with local coastal communities to develop and implement livelihoods and sustainable fishery models which meet immediate and long-term need while ensuring community engagement. Models are created with high levels of community input, meaning that they are accessible and once community members are trained, they can conduct the implementation, monitoring and financing of livelihoods without support from intervention partners. This secures livelihoods for long after the programme is complete and enables a relatively simple adoption of these models across Sites. The short-term tangible benefits of the models, such as increased octopus yield and income generation, also encourages communities to continue with the alternative livelihoods developed. **The success of these models is clear with Blue Forests already exceeding its 20-year target of 99 Sites adopting models tested and proved within the programme with 102 Sites having adopted models by the end of Year 4.** These models have also proven to be flexible with livelihoods and management techniques such as beekeeping, sea cucumber farming and temporary fishing ground closures successfully implemented across multiple country and Site contexts.
- **Responsive livelihoods models.** The full extent of transformational impact is not captured in the logframe with qualitative results not as readily reported against. The COVID-19 pandemic has highlighted previously unseen value in the programme whereby the community focused livelihoods models could adapt quickly in response to changes in demand of fresh products, as described above in response to the adaptability question. This has enabled the programme to continue to support communities through a global crisis which has had repercussions on markets, economies and people worldwide. **Vital lessons emerged and have been disseminated by Blue Ventures to better inform the sector of blueprints for successful long-lasting livelihood models, expanding the potential for wider transformational change as other organisations adopt similar models.**
- **Improved access to health care.** Access to health care has wide-ranging benefits beyond improved community health. [Blue Ventures' community health programme](#) known as 'Safidy' – meaning 'choice' in Malagasy – was established in Velondriake in 2007 in response to the unmet need for family planning expressed by communities. While the programme was not funded by Blue Forests at this time, subsequent support has enabled Safidy to continue and expand exponentially. The programme now serves 47,000 people across 100 villages on the west coast of Madagascar and includes a range of community health services. By providing health care which focuses on improving the health of women and children, barriers to community participation and education are being gradually eliminated. As a result, there have been impressive advances in gender equality in local marine resource management among other

community management and livelihoods. In short, when women and girls are in better health, they may have more time, are better able to earn a livelihood and receive an education, feel more empowered and demonstrate longer term thinking. **Blue Ventures’ multisectoral approach to the Blue Forests programme combines community health with economic need, recognising the important role and potential of women and girls, transforming their ability to contribute to and advance the effectiveness of coastal communities in managing their resources**

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Annex B: August 2023 Logframe Review

Our 2023 review focuses on the following areas:

- 1. Updating logframe structure in line with approved NIRAS (programme evaluation contractor) recommendations;
- 2. Inclusion of new health indicators, relevant to both countries and setting of targets;
- 3. Updating impact indicators and outcome indicator 1 to include the Inhil Site rather than Sembilang (Site 4);
- 4. Updating targets for livelihoods indicators based on programmatic review;
- 5. Removing the indicator on carbon credits based on programmatic review.

Table 1 below provides a short summary of changes.

| Indicator   | Change  | Notes  |
|---|---|--|
| <b>Structural &amp; Wording Changes</b> (please note: numbering of indicators relates to 2021 structure)  |   |  |
| <b>Impact Indicator 1</b><br>Tonnes of CO <sup>2</sup> emissions prevented (KPI 6)  | Reworded to:<br><br><i>Tonnes of CO<sup>2</sup> emissions prevented or removed</i>                    | There are two types of emissions associated with conservation activities - avoided/prevented and emissions removal. Our programme includes some restoration which is a removal. The original wording referred to emissions prevented only. |
| <b>Impact Indicator 2</b><br>Number of forest dependent people (ASSUMPTION: all people we work with are forest dependent) with livelihoods benefits (INCOME GENERATION AND FOOD SECURITY) protected or improved (KPI 3)     | Moved to outcome level - now Outcome indicator 1.3  | Not an impact indicator  |
| <b>Impact Indicator 3</b><br>Extent to which ICF intervention is likely to have a transformational impact (KPI 15): Number of additional Sites adopting models tested and proved within this programme (outside of 6 Sites) | Moved to outcome level - now Outcome indicator 2.1<br><br>Changed wording from '6 Sites' to '5 Sites' | Not an impact indicator<br><br>There are only 5 Sites  |
| <b>Impact Indicator 5</b>   | Moved to outcome level - now Outcome indicator 1.2  | Not an impact indicator and doesn't feed into actual programming   |

|  |  |   |
|--|--|---|
| Ecosystem services (KPI 10): Difference in mangrove forest ecosystem services income (shoreline protection; pollution abatement; protection from sedimentation) provided by standing mangroves compared to without programme scenario. (\$/yr.)  |  |   |
| <b>Outcome Statement</b><br><br>"Sustainable mangrove forestry and fisheries management activities implemented at six Sites where coastal communities are supported by alternative livelihoods and improved access to healthcare, and therefore models for replication are validated." | Split into two statements:<br><br>1. Focusing on implementation of sustainable mangrove forestry and fisheries management supported by improved access to healthcare and alternative livelihoods<br><br>2. Validation of a replication model | It is best practice not to measure two different things in one outcome  |
| <b>Outcome Indicator 4</b><br><br>Unintended pregnancies avoided   | Now Outcome Indicator 1.6 and reworded to:<br><br><i>% of health service delivery points that provide support and /or referral appropriate to meet the needs of Blue Forest programme communities</i>  | The original health indicators were not appropriate to the Indonesian context   |
| <b>Outcome Indicator 5</b><br><br>Number of new pieces of evidence (per year) for individual conservation models   | Moved to output level - now Output indicator 2.1   | Not an outcome indicator  |
| <b>Output Indicator 1.3</b><br><br>Number of carbon credits produced (with a minimum of 50% revenue shared with community)   | Remove indicator   | Removed to reflect the current governmental structures available to allow carbon programmes to proceed to the sale of credits |
| <b>Output Indicator 4.1</b><br><br>Needs assessments completed at each Site  | Indicator and targets revised to:<br><br><i>4.1A: Number of women accessing sexual and reproductive health and rights services (Madagascar only)</i><br><br><i>4.1B: Number of outpatient consultations (Indonesia only)</i>                 | The original health indicators were not appropriate to the Indonesian context   |
| <b>Output Indicator 4.2</b><br><br>Number of villages served by community-based health services  | Indicator and targets revised to:<br><br><i>Number of people attending community health sessions or health promotion activities</i>  | The original health indicators were not appropriate to the Indonesian context   |
| <b>Output Indicator 4.3</b><br><br>Number of outreach missions completed by reproductive health partner  | Indicator and targets revised to:<br><br><i>Number of healthcare workers or community health ambassadors who</i>   | The original health indicators were not appropriate to the Indonesian context   |

|   |   |  |
|---|---|--|
|   | <i>report improved skills and knowledge in health delivery</i>  |  |
| <b>Target Changes</b> <i>(please note: numbering of indicators relates to 2022 structure from here onwards)</i> |   |  |
| Impact indicator 1  | 2022-2024 targets increased to include data for Inhil   |  |
| Impact indicator 2  | 2022-2024 targets increased to include data for Inhil   |  |
| Outcome indicator 1.1   | 2022-2024 targets increased to include Inhil and adjustments made to Kuba Raya targets  |  |
| Outcome indicator 1.2   | 2022-2024 targets increased to include data for Inhil<br><br>2022-2024 targets adjusted for Mahajamba based on a new deforestation rate |  |
| Outcome indicator 1.4   | 2022-2024 targets increased to include data for Inhil   |  |
| Outcome indicator 1.5   | 2022-2024 targets adjusted based on programmatic review   |  |
| Outcome indicator 1.6   | 2022-2024 targets adjusted to reflect changes to indicator  |  |
| Output indicator 1.3  | 2022-2024 targets adjusted to reflect changes to indicator  |  |
| Output indicator 3.1  | 2022-2024 targets adjusted based on programmatic review   |  |
| Output indicator 3.2  | 2022-2024 targets adjusted based on programmatic review   |  |
| Output indicator 3.3  | 2022-2024 targets adjusted based on programmatic review   |  |
| Output indicator 5.1  | 2022-2024 targets adjusted based on programmatic review   |  |